


Exhibit C

AG Ferguson: CenturyLink will pay \$6.1 million over hidden fees affecting 650,000 Washingtonians

 [atg.wa.gov/news/news-releases/ag-ferguson-centurylink-will-pay-61-million-over-hidden-fees-affecting-650000](https://www.atg.wa.gov/news/news-releases/ag-ferguson-centurylink-will-pay-61-million-over-hidden-fees-affecting-650000)

AG Ferguson launches “Honest Fees Initiative,” asks Washingtonians to help him uncover hidden fees

OLYMPIA — Attorney General Bob Ferguson announced today the first major action of his office’s Honest Fees Initiative. Global technology company CenturyLink will pay \$6.1 million to the State of Washington according to a court order to resolve the Attorney General’s lawsuit regarding a range of unfair and deceptive conduct. CenturyLink added additional charges to customer bills without accurately disclosing those fees, impacting 650,000 Washingtonians. CenturyLink also failed to provide discounts that their sales agents had promised to about 16,000 Washingtonians.

Nearly \$900,000 of the money has been or will be directly refunded to Washington consumers to make up for discounts they were promised, but did not receive. Ferguson will set aside the remainder until a nationwide class action lawsuit filed in U.S. District Court for the District of Minnesota resolves. If the approximately 650,000 eligible Washingtonians receive less than full restitution through the class action, the remainder of the \$6.1 million will be provided with the goal of making impacted Washingtonians whole. If the class action lawsuit makes affected Washingtonians whole, Ferguson will invest the recovery into his office to continue combating dishonest fees that harm Washingtonians.

Today’s order, filed in King County Superior Court, is part of Attorney General Ferguson’s Honest Fees Initiative, which works to ensure that companies adequately disclose all fees and charges to Washington consumers, and that those fees are lawful. Ferguson asks Washingtonians who believe they have received bills that include undisclosed fees to file a complaint with his office.

“CenturyLink deceived consumers by telling them they would pay one price, and then charging them more,” Ferguson said. “Companies must clearly disclose all added fees and charges to Washingtonians. If you believe that a company has charged dishonest fees, please contact my office.”

CenturyLink

Welcome | 800 5TH AVE, APT 101, SEATTLE, WA, 98104
Change Info | Already a customer?

1 Choose **2 Customize** **3 Customer Info**

What You're Getting

Hurry! Online Only Offer! • FREE Activation + Shipping on Internet • \$25 Prepaid Card When You Order Online!

This product qualifies for a \$25 Visa® PrePaid Card!

12 Mbps
Internet 12 Mbps
\$29.95

1-Year Offer
Internet monthly rate will not change for 1 year. Requires 12 month contract. Autopay enrollment and paperless billing.
\$29.95 per month
Select a different offer

Modem

☒ Lease
Advanced Wireless Networking Modem
\$9.99 per month

☐ Purchase
Advanced Wireless Networking Modem
\$99.99 one-time charge

☐ I already have a CenturyLink compatible modem
For your current modem to work, it must be compatible with ADSL2+ technology. To check compatibility, visit the [compatible modem list](#).
No Charge

Installation

☒ Self Install – You can do it yourself.
No Charge

☐ Life Tech Install – Get help with the installation of your modem.
\$29.99 one-time charge

☐ Standard Tech Install – Get help with the installation of your modem, up to 5 computers or devices and more.
\$59.99 one-time charge

Summary [Reset](#)

One-time Charges

Internet Activation:	\$19.95
FREE Internet Activation:	-\$19.95
Modem Shipping:	\$14.99
FREE Modem Shipping:	-\$14.99
Total One-time Charges:	\$0.00

Monthly Charges

High-Speed Internet 12 Mbps:	\$29.95
Monthly Subtotal:	\$29.95
Modem (Lease):	\$9.99
Adjusted Monthly Total:	\$39.94*

Next

30 Day Satisfaction Guarantee [Save My Cart](#)

* Does not include taxes, fees and other monthly surcharges, which can include but are not limited to Carrier Universal Service charge, Internet Cost Recovery Fee, National Access fee surcharge, state and local fees that vary by area, and certain in-state surcharges.

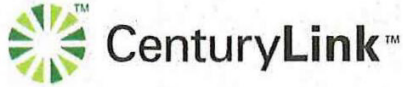
A screenshot from CenturyLink's sales webpage in 2017, which does not disclose all the fees the customer will pay on their bill.

The Attorney General's Office began its investigation into CenturyLink in 2016, after receiving complaints from consumers that their actual bills were more than the advertised price, or the price that they were promised by sales representatives.

There were three main fees CenturyLink did not disclose: a broadcast fee of \$2.49 per month, a sports fee of \$2.49 per month, and CenturyLink's "Internet Cost Recovery Fee, ranging from \$0.99 to \$1.99 per month.

CenturyLink charged its Internet Cost Recovery Fee to 650,000 Washingtonians. Of those, another 60,000 were also charged the broadcast and sports fees. These fees alone added up to \$7 per month to a television subscriber's bill — \$84 per year.

The investigation found that CenturyLink did not adequately disclose additional taxes and fees for its cable, internet and telephone services.



Account #:

Details of Your Television Charges

Television Service

Prism™ TV Account Number: [REDACTED]

Service Period: May 20 - Jun 19

Questions: 1 877-628-3617

Repair: 1 866-314-4148

*Non payment of Prism™ TV will not result in disconnection of local phone service.
Non payment of Prism™ TV charges may result in the interruption and possible
disconnection of television programming.*

Prism™ TV Monthly Charges

Premium Programming - HBO	18.99
Prism Essential TV	81.99
Prism HD TV	11.99

Prism™ TV Discounts

Prism Promotion	- 40.00
One-Time Prism Credit	- 41.99

Prism™ TV Monthly Charges Total **\$30.98**

Related Monthly Charges

1st Prism Wireless Set Top Box	9.99
Local Broadcast Surcharge	2.49
Primary Set Top Box	9.99
Sports Network Surcharge	2.49

Related Monthly Charges Total **\$24.96**

Details of Your Internet Charges *(cont.)*

Bundle Savings (04/29 - 05/28)

Basic Service (7/20 - 9/20)	
Internet	- 10.00
High-Speed Internet	
Discount	- 34.05
Advanced Lease Modem Discount	
Month 1 of 12	- 9.99
Internet Monthly Charges Total	\$19.96
Related Monthly Charges	
Internet Service	
Internet Cost Recovery Fee	1.99
Advanced Modem Lease	9.99
Related Monthly Charges Total	\$11.98

Excerpts from bill showing previously undisclosed fees.

One Seattle customer was assured by a sales representative that only state and local taxes would be added to their bill, no additional fees. "She was quite clear about this. I remember because I thought it was great," the customer recounted to the Attorney General's Office. "Then I got my CenturyLink bill and there were more non-tax fees than there were on my (previous internet provider) bill."

CenturyLink sales agents would offer "closer discounts" ranging from \$5 to \$10 per month, with an average yearly discount of \$55. However, between 2013 and 2016, about 16,000 Washingtonians never received the discount they were promised. As part of today's resolution, CenturyLink has or will refund a total of \$887,530 to those consumers directly. The refunds must be completed by March 31, 2020.

In addition to the refunds and paying the remaining \$5.2 million to Washington, CenturyLink is required to:

- Disclose the actual price of its services, including charges and fees, in sales materials
- Disclose the actual price of its services, including charges and fees, in its advertising
- Provide an order confirmation with a complete bill summary within three days after consumers order services from CenturyLink
- Honor any and all incentives and discounts promised to consumers
- Stop charging its Internet Cost Recovery Fee

CenturyLink is also required to submit compliance reports to the Attorney General's Office over the next three years, and must retain all sales call recordings and correspondence related to the sales for two years.

Assistant Attorneys General Dan Davies and Seann Colgan handled the case for Washington.

The Office of the Attorney General is the chief legal office for the state of Washington with attorneys and staff in 27 divisions across the state providing legal services to roughly 200 state agencies, boards and commissions. Visit www.atg.wa.gov to learn more.

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